

FAQ's Related to Coding for the Michigan Public School Accounting Manual Last Updated 10/2007

Question		Answer		Category
Q1	How do I track district-wide revenues and expenditures for reporting under GASB-34?	A1	<p>The 1022 Committee has not discussed any uniform method in the chart of accounts for categorizing GASB 34 revenues for the Statement of Activities. Most districts will have to break down revenues into the following categories for the audit:</p> <p style="margin-left: 40px;">Charges for services, e.g.:</p> <ul style="list-style-type: none"> - Tuition - Fees - Gate receipts - School lunch receipts <p style="margin-left: 40px;">Operating grants, e.g.:</p> <ul style="list-style-type: none"> - Title I - At Risk - Special Education IDEA <p style="margin-left: 40px;">General Revenues, e.g.:</p> <ul style="list-style-type: none"> - Property taxes - State Aid, unrestricted - Investment (interest) income <p>In addition, there will be further breakdowns for Charges for services and operating grants as to which program(s) they support, such as, Instruction, Support Services, Food Services, Athletics, or other programs.</p> <p>Districts that wish to use their General Ledger to distinguish the various reporting categories may wish to use the "Other" segment of the chart of accounts to keep track of the detail.</p> <p>Revenues that are unique to GASB 34, i.e., that are reconciling items between full accrual and modified accrual can be accounted for in the long term assets in fund 91. For instance, property taxes that are collected more than 60 days after fiscal year end could be accrued for GASB 34 (along with the related allowance for doubtful accounts) and recorded as revenue in Fund 91.</p>	13
Q2	Which function and object should be used for Assistant Superintendents?	A2	<p>Some districts use the title assistant superintendent, others use director. For consistency, if the position can be directly related to a specific function (business, facilities, human resources, etc.) use the specific function and then the "20-Assistant Superintendent." You may want to divide an employees salary between multiple functions based on the amount of time spent on each function. Use either object code "1120" or "1310" depending on the position description of the employee. If the assistant superintendent serves multiple functions and helps establish entity wide policy for the district, it may be more appropriate to use the "232-Executive Administration" function.</p>	1 2
Q3	From the ISD perspective, what is the appropriate classification for the distribution of Medicaid fee for service reimbursement from the ISD to the LEA?	A3	<p>Medicaid Funds – The medical services or "fee-for-service" component of the Medicaid School Based Services program is not subject to the Single Audit Act of 1996. The "fee-for-service" component should be recorded as local source revenue by the district; the appropriate major class code is "181" or "519" if received through another ISD, LEA or PSA. The Transportation and Medicaid Administrative Outreach components are subject to the Single Audit Act and should be recorded as federal revenues by the district; the appropriate major class code is either "412" or "418" depending on how the funds are received by the district. (See the Medicaid compliance supplement in the <i>Michigan School Auditing Manual</i> for further information.) Funds that flow from one school district to another have the potential to be double counted as revenues and expenditures by multiple districts. Currently we would ask the ISDs who receive the funds to record the "fee for service" revenues as major class code "181." If the agreement with their local</p>	1 5

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			school districts is to distribute the funds to the districts as a sub-grantee, the payment to the school district would show as function code "411" and object code "8510." If the agreement with their local school districts is to distribute the funds to the districts as a vendor the payment to the school district would show in the appropriate function code (2xx) and object code "8220." The local school district receiving the funds should report the funds received from the "fee for service" as major class code "519."	
Q4	In the future, is there a plan that would eliminate the need for us to file special and vocational education cost reports, etc? In other words can this information simply be obtained from the FID?	A4	There is currently no plan to collect program and grant information in the FID. Program and grant costs cannot be distinguished in the function or object code currently collected in the FID. Many issues would need to be resolved before grant reporting could be done via the FID. Primarily, districts would need to follow a standard method for recording grant and program expenditures.	3 4
Q5	Long Range, wouldn't we all be better off if we all used the same accounting system?	A5	Yes, a standard accounting system could prove helpful, but not essential to comparable financial reporting. We have tried to develop an accounting structure that meets basic state and federal reporting requirements yet is flexible enough to allow districts discretion in choosing the complexity of the hardware and software they use to maintain financial records.	9
Q6	Which function and object code should be used for recording dual enrollment payments to universities and colleges.	A6	The function code would be high school classroom instruction (113) and the object "3710-Tuition."	1 2
Q7	Which function and object codes are suggested for the payment for services not considered performed by professionals (e.g., such as lawn service companies, mail service, election workers, etc.)?	A7	The header record "4100" includes the upkeep of grounds. Use object code "4190- Other" for recording lawn services. Purchased services associated with lawn service should be coded to function "261" and object "4190." Mail Service should be coded to function "2xx" and object "3430." Election costs should be coded to function "231."	1 2
Q8	Title I and At-Risk funds are federal and state dollars, respectively, and each requires a separated report, why are they lumped together in #125? What coding is suggested for keeping the grant expenditures separate?	A8	Title I and At Risk are grants rather than functions. The state code dimension should be used for distinguishing grants. For example, an expenditure for classroom teacher salary funded by Title I would be coded 11-125-1240-000- 6013 while an expenditure for classroom teacher salary funded by At-Risk funds would be coded 11-125-1240-000- 3063 . There are multiple other function and object code combinations that could also be used to meet the objectives of a Title I or At-Risk grant. For non-classroom instructional expenditures associated with these grants, use the appropriate function and then a state code to distinguish. Using the state code dimension allows much more flexibility in reporting by grant source.	4
Q9	We run an off-site instructional program for our county's juvenile detention facility. The grades range from 6th - 12th. What function code would we use for this program (our special education director oversees the teacher in that classroom but the students are classified as general education? FTE's)?	A9	Programs may have multiple functions and object code designations. Expenditures for teachers in these programs will depend on how the teacher and students are classified (k-12/special education) in other core datasets (REP/SRSD). Use the same function to record associated salary and benefit expenditures. Costs associated with the special education director would be charged to function code "226."	10
Q10	Which function should a teacher consultant be coded to ?	A10	Teacher consultants as defined in Michigan Department of Education Special Education Administrative Rules should be recorded in function code "218."	18

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Q11	The Accounting Manual indicates four positions for the "state code," the appendix only shows three positions?	A11	The fourth position of the State Code may be used to designate fiscal year.	4
Q12	Which function and object should be used for payments made to another Michigan public school district for services rendered?	A12	Payments made to another public school for payment of services rendered should be reported in the function the paying district is purchasing. The object codes for those would be "82xx- Payments to other public schools for services rendered"	1 2
Q13	Which function and object should be used for flow-through, sub grantee payments to another Michigan public school?	A13	Payments made to another public school as flow through or sub grantee should be recorded in function "411- Payments to Other Public Schools" and object "8510-Sub grantee disbursements."	1 2
Q14	Can we really use program codes to further define our object?	A14	We would discourage districts from using the program code dimension to further define expenditures unless the program code aligns with either the state or federal chart of accounts. There is no plan to collect program level expenditures, but no guarantee that it won't be collected in the future.	3
Q15	Why are there two penalty and interest on taxes revenue class codes (119 & 124)?	A15	Major class code "119" is used to record penalties and interest on delinquent property taxes assessed by the public school (as defined in Major Class Code Header 110), while major class code "124" is used to record penalties and interest on appropriations received from other local units of government (as defined in Major Class Code Header 120). Penalties and Interest should be recorded separately from the actual receipt of tax dollars. (Tax would be millage rate times taxable value of property.)	5
Q16	Which function code is used for alternative education expenditures?	A16	Alternative Education is a program rather than a function. Classroom Instruction costs associated with Alternative Education should be recorded in function code "112-Middle/Jr.High School" or "113-High School." For non-classroom instructional expenditures, use the appropriate function and then a program or state code.	1 3 4
Q17	Which function should be used for a technology coordinator (district-wide position)	A17	Use function code "284" for a district-wide technology coordinator.	1
Q18	Which object code would be used when staff travel to other districts for school visits? What object code would be used when staff attends meetings out of the district? These activities are not necessarily workshops.	A18	Use object code "3210-Cost of Travel" for recording costs associated with staff attending meetings or doing site visits.	2
Q19	Our district codes all employee insurance expenditures under object 2100. What do you suggest we use as an object code for these expenditures if we don't need to separate them by Dental, Vision, Life, etc.?	A19	We encourage you to distribute the dental, vision, and life insurance expenditures into the appropriate object code categories within your internal accounting records.	2
Q20	We have classified gifted and talented under function code 129. These expenditures are not compensatory, what function codes should we use for these expenditures?	A20	"Gifted and Talented" is a program rather than a function. For classroom expenditures use a basic instruction function (111, 112, 113) and then a program or state code for distinguishing the expenditure as "Gifted and Talented". For non-classroom instructional expenditures, use the appropriate function and then a program or state code to distinguish.	1 3 4

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Q21	Would Michigan Virtual University (MVU) classes be coded as Function 112 or 113?	A21	Michigan Virtual University classes should be considered a program rather than a function. For classroom expenditures use a basic instruction function (111, 112,113) and then a program or state code for distinguishing the expenditure as MVU. For non-classroom instructional expenditures, use the appropriate function and then a program or state code to distinguish.	1 3 4
Q22	Could you clarify where we charge conferences and other professional and support staff training? Is it only the instructional staff that uses Function 221?	A22	According to the federal manual, professional development and in-service training costs for instructional staff are to be charged to function code "221." All other non-instructional staff professional development and in-service training costs should be coded to "283." The <i>Michigan Public School Accounting Manual</i> is consistent with the federal manual.	1
Q23	Which function code should be used for textbooks?	A23	Textbooks should be recorded in the function code for instruction. Function 111-137. Bond proceeds may not be used to purchase textbooks	1
Q24	We are concerned about the 26 digit account length. What is the minimum account length which meets the FID requirements?	A24	The minimum length necessary to meet current FID requirements is 14 positions. Fund, Function, Object, School Code XX XXX XXXX XXXXX Future reporting requirements may require the submission of additional fields, therefore, districts' systems should follow the <i>Michigan School Accounting Manual</i> Chart of Accounts.	9
Q25	Can I eliminate the transaction code (1 digit), the project (3 digits) and the state code (4 digits) and anything else? Is there some long term danger in eliminating these codes?	A25	We would recommend that districts maintain the standard program and state code information in their accounting systems. Although, not currently reported in the FID, this information is used by districts to complete various other grant and program reporting (Special education cost reports, DS4044s, Transportation Cost Reports, etc.)	9
Q26	Some Northern Michigan districts receive 2% gaming grant money from the Grand Traverse Band of Native Americans. Would you identify the function code to use for expenditures? The money is used for a variety of purposes (e.g., tutoring and student assistance for Native American students).	A26	2% Gaming Grants are an unrestricted revenue source. That means districts may use them in any of the function codes. We recommend that districts use major class code "211" for reporting the revenue. The function code used will depend on how the district expends the funds. If used for classroom instruction, the code would be in the 111-137 range. If used for support services, the codes would be in the 211-299 range.	1 5
Q27	Are the district- wide "funds" reported through FID?	A27	Districts may choose to report GASB 34 transactions in their general ledger in fund 91 (long term assets) or fund 92 (long term liabilities). Other districts may wish to keep these details on a separate system, such as, a spreadsheet or on capital asset software. The FID process allows districts to either upload this data from their general ledgers or key enter it separately if not recorded in the general ledger.	8 9 13
Q28	In coding sinking fund expenditures, should I use function code "261-Operations and Maintenance" or "452-Site Improvement Services?"	A28	We would recommend that districts use the "45X" series for recording activities associated with sinking funds. Function "261" is used for recording ongoing and routine custodial and janitorial services. Sinking funds may not be used for routine operations and maintenance.	1
Q29	Our school is looking into a "Foundation Program." What account or fund would this fall under? How detailed does a Foundation get? Do revenues break out in multiple Accts? Same for endowments?	A29	We would encourage districts to consult with their auditors as to the appropriate accounting for foundations.	14

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Q30	In the expenditure layout is the school code the state assigned five-digit number for the school or a building code?	A30	The school code is a five-digit state assigned code used to designate a particular building or administrative unit within the district.	10
Q31	We have several services that will be classified in either an internal service fund or an enterprise fund. Most of these are services we provide to both departments within our ISD as well as to other local districts (e.g., sub-calling, print shop, REMC, and S.E. transportation). Will these be considered enterprise-type fund activities? Does the fact that we operate these on a break-even basis matter in whether or not they are classified as an enterprise fund vs. internal service fund?	A31	<p>Very few districts will have a true enterprise fund because most do not account for all costs of a program, including depreciation. However, districts that are considering using an enterprise fund for recording activities of a program should consider discussing this with their auditors before they establish such a fund. The reference book: <i>"Governmental Accounting, Auditing, and Financial Reporting"</i> (i.e., Blue Book), 2001 edition, states:</p> <p>"Enterprise funds and internal service funds each impose fees or charges on those who use their services. Enterprise funds are used in situations where a given fund provides services primarily to customers other than governments outside the (district) ... Conversely, internal service funds are used when a fund primarily provides benefits to "other funds, departments, or agencies of the primary (district) and its component units, or to other (districts)."</p> <p>"GAAP specifically states that internal service funds may be used to account for services provided to other governments outside the financial reporting (district). All the same, the use of internal service funds is not appropriate in situations where other governments are the predominant participants in a given activity."</p> <p>"GAAP mandates the use of an enterprise fund when legal requirements or management policy require that the full cost of providing services (including capital costs), be recovered through fees and charges."</p>	14
Q32	If CEPI is not going to collect the program and state codes and the expenditure account structure, what happens if we decide not to use them? Are there any long term disadvantages to not using those fields?	A32	The long term disadvantage to not using the program or state codes listed in the 1022 Manual may be that at some date in the future we may be reporting special education, vocational education, transportation, etc. reports electronically. In order to prepare these manual reports currently, districts must have some method of tracking these costs and revenues separately. We encourage districts to use the standard chart of accounts in the <i>Michigan Public School Accounting Manual</i> .	3 4
Q33	The fund structure designates only nine special revenue funds (21-29). Some of the fund numbers in that range are already designated by set funds (i.e. the school lunch fund is fund #25). Several of the funds are currently used by our district and several are not, like the bookstore fund. We have around seven or eight special revenue funds in our district. How can we designate those funds in the 21-29 range if most of them are already used and there are not enough "free" fund numbers available?	A33	We will only accept fund codes that follow the standard definitions in the <i>Michigan Public School Accounting Manual</i> . Districts will need to report non-standard funds in one of the standard codes (general, special revenue, debt, capital project, trust, enterprise, or internal service) currently available in the manual.	14
Q34	Which function/object code do we use for indirect expense?	A34	We assume you are asking how to recover the costs of the indirect cost pool from grants, etc. since the actual costs for the administrative costs that make up the indirect cost pool have already been charged as expenditures in the business services, central service, and to a limited extent general administration and operations/maintenance functions. The Michigan Department of Education calculates the Indirect Cost Rate each year based on the expenditures reported on the prior year's FID. Districts should not be coding additional charges to the general ledger for recovering these costs. Here in MDE, we choose to use what we refer to as "memo" transactions that allow us	11

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			to collect grant dollars for the grants fair share of the indirect charges but do not duplicate the expenditure or offset a function that will be used in a future year for calculating indirect pools. Whatever you do in terms of recovering indirect costs should not affect the information reported to the FID!! Administrative costs must be coded to the appropriate function and object code. See Section II, E.03 of the <i>Michigan Public School Accounting Manual</i> for Recommended Accounting for Indirect Costs.	
Q35	Our Headstart program requires local districts to have in-kind match. Where should these expenses and revenues be recorded?	A35	Expenditures should be recorded by the district that incurred them in the function and object for which they were spent. If an ISD/LEA is a sub-grantor, they may need to request additional grant expenditure reports from the sub-grantees documenting that match has been met. Districts may need to set up an additional dimension in their expenditure records to show match of a particular grant.	1 5
Q36	Where should the fiscal agent fees for PSAs be recorded?	A36	The fees PSAs pay to their chartering agency for oversight, should be recorded as an expenditure in General Administration, and then a purchased service object. Fees paid by a PSA to another public school for providing services should be charged to the appropriate function and object "8220."	1
Q37	Please distinguish the difference between a transfer vs. a sub grantee situation for funds flowing from an ISD to a local district.	A37	Basically a sub-grantee's responsibility is to help the recipient meet the requirements of the grant and the sub-grantee's performance would be measured against the objectives of the grant. In a vendor (transfer) relationship, the vendor must simply meet the terms of the procurement contract. In a sub-grantee situation, the sub-grantee would provide the grantor with cost reports showing how the funds were spent to accomplish the grant objectives. The grantor would be responsible for monitoring that the funds were spent for that objective at the sub-grantee level by collecting costs reports. In a vendor situation, the vendor would simply send a bill saying you owe us this much according to the terms of the contract.	11
Q38	Where should non-transportation field trip costs be recorded?	A38	If the field trip is related to instruction, code in the instructional function codes 111-137. Many districts desire to keep these costs separate by building or program. We recommend using the facility, program, or other dimension of the account structure to distinguish.	1
Q39	Where should the following tuition revenue be recorded- 1) driver's ed for our students only 2) band camp for our students only 3) summer school for our students only	A39	Revenue collected from pupils as fees for these student activities should be recorded in the appropriate local revenue. Tuition is recorded in major class code "131." Admissions, Dues and Fees are recorded in major class "17x." Driver's education programs that are considered community services should be recorded in major class code "181." Expenditures: Driver's education – If part of high school curriculum use function "113" If part of Summer School, use function "119". If part of community services, use function "3XX." Band Camp – Use function 111-113 for recording expenditures related to instruction. Summer School – The function code for recording summer school instruction is "119"	1 5
Q40	(1) Which object code should be used for cash in lieu of health insurance? (2) Which object code should be used for early retirement benefits? (3) Which object code should be used for board paid annuities?	A40	(1) Use object code "2920-Cash in Lieu of Benefits." (2) The object code for Early Retirement Incentives in "2210." (3) Use object code "2990" for board paid annuities.	2

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Q41	Are water/sewage costs moving to supply account numbers?	A41	No. Both the state and federal accounting manual continue to include water/sewage as a purchased service.	2
Q42	Which function and object codes should be used for summer tax collection fees?	A42	Use function code "259" for summer tax collection fees, object code "7410."	1 2
Q43	Is the short term compensated absence liability to be combined with the long term compensated absences liabilities in class code "581"?	A43	The short term portion of compensated absences should be recorded in major class code 462.	11
Q44	Which function should extra contractual pay for yearbook, etc., activities be charged?	A44	Extra-contract compensation should be charged to the function being performed then object code "19xx."	1 2
Q45	Currently long term debt (e.g., bus notes) is not included in the governmental funds balance sheet. Other financing sources and use codes designate debt proceeds and principal payments expended in the year paid. Are we now converting to recognition of the long-term note on the balance sheet w/principle payments being charged against that liability? (i.e., code 561)	A45	NO & YES. For purposes of fund accounting, budgeting, and reporting, there is basically NO change in the reporting, or lack thereof, for long term debt. Prior to GASB 34, long term obligations were not recorded in the fund level accounts instead they were reported on the financial statements in the long term debt group of accounts. With GASB 34, there is no change in the reporting of debt in the funds. Long term obligations will NOT be reported in general fund, school service funds, debt funds, or capital projects funds. However, there is one change. The long term debt group of accounts is no longer used. Instead, long term debt is recorded in the District-wide financial statements which are full accrual basis. The long term liabilities in major class code 500 through 591 are available for reporting these district-wide liabilities.	13
Q46	Which revenue suffix codes should be used for funds received by an ISD from the Office of MI Works?	A46	See the State Codes listed in the Appendix. If there isn't one for the particular grant you are looking for, contact Glenda Rader (517) 335-0524 to assign a new code. When calling, it would be helpful to include the CFDA number and name for the grant program.	4
Q47	Are debits and credits be entered as positives and negatives in the FID? Is it possible to submit an expenditure with a credit balance?	A47	Yes, debits should be submitted as positive amounts and credits must be submitted as negative amounts. Warning and Error messages are generated by the edit check when expenditures are submitted as credit amounts or when revenues are submitted as positive amounts.	9
Q48	We have a unique situation where one district runs an Alternative High School (hires staff-all accounting). However, the building belongs to and is kept up (utilities-custodial-maintenance) by a different district. How would we report this? And, will the system allow the fiscal agent to report on a building code from a different district?	A48	Report the costs consistent with the way you report the employees for the REP and pupils for the SRSD. Districts may submit a school code for a building in another district. A warning will appear reminding the user that they are reporting a school code outside their district.	10
Q49	For shared time expenditures I am currently using the high school building code. Is this OK?	A49	Report the costs consistent with the way you report the employees for the REP and pupils for the SRSD.	10
Q50	Why are separate suffix codes required for Title fund carry-over funds, but not for Special Ed IDEA carry-over funds?	A50	Title I and Title V carry-over grants require separate statewide reporting to the federal government. Apparently those amounts are needed for the calculation of future federal fund allocations to the State of Michigan. Special Education does not have that reporting requirement.	6

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Q51	Some funds may not be used by LEAs and PSAs, which funds are they?	A51	The asterisks in <i>Michigan Public School Accounting Manual</i> indicate limited use of a fund. Vocational and Cooperative Education Funds are only used by intermediate school districts. Special Education Funds are used by intermediate school districts and ONLY those local school districts that operate a county-wide special education center program.	14
Q52	Should food services for programs that are provided in a building that is not assigned a building number be included in "00000" for the facility code (i.e. latchkey, childcare and/or pre-school.)	A52	Only Instruction functions "1xx" and School Administration "241, 249" are required to be reported at the building level. Districts should consistently report financial data at a building level with staff and student data reported in the REP and SRSD.	1 10
Q53	Which function should be used to record senior class sponsor, rental of facility for commencement, diplomas, awards, etc. ?	A53	A Senior Class sponsor would be coded as a co-curricular activity under function "113." Commencement costs, diplomas, awards, and other costs associated with graduation should be charged to function "249."	1
Q54	We have many more expendable and non-expendable funds than 5. What do we do, or how do we present them?	A54	We suggest reporting the major or more significant expendable and non-expendable trust funds as a separate fund. Group the smaller funds together in one fund and use another segment of the chart of accounts, perhaps other, to keep track of the individual balances of these smaller funds.	14
Q55	Please explain the state code. What is the difference between that and the program code?	A55	State Codes are used to distinguish grants (Title I, Title V, IDEA, State Aid Categoricals, Etc.) A program may include a group of grants to accomplish an allied set of objectives. Programs include: Special Education, Vocational Education, Gifted and Talented, Bilingual, etc.	3 4
Q56	If the number of scholarship funds exceed the fund numbers available what are the options?	A56	If the other segment of the account is not convenient for this purpose, you may wish to consider using a program code from 001-099 or 500-999. At least at this time, only program codes from 100-499 are listed in the <i>Michigan Public School Accounting Manual</i> . While we know of no plans to require additional program codes in the future, keep in mind that if you use the program code for this purpose you may have to change at some uncertain date in the future.	14
Q57	We use quicken software to do our agency accounts. My understanding is we can continue this and CEPI will allow us to key in the total revenue, expense, fund balance manually. Is this true?	A57	Required Agency Fund financial data may be keyed or uploaded.	9
Q58	In the revenue suffix, do we need to use the suffix numbers listed or may we use the expenditure State Codes that apply to Title I, Class Size Reduction, etc., to tie revenues and expenditures in related numbers?	A58	In recording revenues, we recommend that you use the suffix codes listed in <i>Michigan Public School Accounting Manual</i> . At this time, there are no plans to use suffix codes from 1000 to 9999. Thus, suffix codes 1000 – 9999 are available for local reporting options.	6
Q59	Which function should be used to record costs associated with club and class advisors?	A59	The federal accounting manual lists co-curricular activities in the instruction categories functions 111-137. To be consistent, The <i>Michigan Public School Accounting Manual</i> does the same.	1
Q60	Which object code should be used for scholarships?	A60	A distinction should be made between admission fees paid on behalf of students, and scholarships paid through a trust fund for pupils to attend universities. For admission fees paid through a governmental fund, use object code "4910." For tuition to another public school, use "8210." Scholarships paid with Trust Funds should be recorded in a Trust Fund "51-59."	1 2

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Q61	How do I acquire a new chart of accounts manual?	A61	The <i>Michigan Public School Accounting Manual</i> may be found at www.michigan.gov/mde Under keywords choose " <i>Michigan Public School Accounting Manual</i> ." The manual may be printed from there or ordered from Fidlar. The address is: Fidlar Online 4570 Commercial Avenue Portage, MI 49002 1-800-632-2259 www.fidlaronline.com	11
Q62	Does the revised chart of accounts apply to charter schools?	A62	Yes, the Chart of Accounts applies to all Michigan Public Schools, including Public School Academies. The Michigan Revised School Code Section 380.1281 cites the entities that must comply with the manual.	11
Q63	Where do I get the School Codes to use for reporting?	A63	The School Code Master is available on CEPI's website at: http://www.michigan.gov/cepi/0,1607,7-113-986_10485---,00.html	10
Q64	Which Major Class Code should be used for proceeds from a school bond loan?	A64	Proceeds from a School Bond Loan may be deposited in a Debt Retirement Fund, major class code "595." Refinancing Proceeds should be reported in major class code "596."	6
Q65	Under which Fund should a district code REMC and Math/Science Centers? Are they a "required" separate fund or could they be coded in the general fund as a program or grant?	A65	Districts may keep these funds separate in their general ledger, but for reporting to the FID they should be recorded in one of the defined fund codes.	14
Q66	Which function and object codes should be used for student field trips (Fees, Travel, etc.)?	A66	If the field trips are related to instruction, the admission fees should be recorded in the instruction function object code "4910." The transportation costs associated with the trips fall under function code "271-Transportation." The object codes will depend on the type of service or commodity received.	1 2
Q67	Which function and object should be used for things like band/choir/debate team fees associated with competitions?	A67	If part of the general fund, these activities should be coded to the instruction functions. The object code will be "7410-Dues and Fees." Non-technical/non-payroll individuals should be charged to object code "4910."	1 2
Q68	Is object code 1140 (a salary code) appropriate to use in coding stipends paid to board members?	A68	Yes, object code "1140-Board Member" is appropriate for per diem and stipend payments paid to board members.	2
Q69	Which object code should be used for payments to Michigan colleges for personnel recruiting fairs?	A69	Object code "3510-Advertisement" should be used for activities promoting the district.	2
Q70	Which object code should be used for travel and other costs associated with travel that is not related to workshops and conferences?	A70	Object code "3210-Travel"	2

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Q71	Which function code should be used for paying “agents” requesting reimbursement on behalf of pupils taking driver’s education from an outside source? The driver’s education course is not offered by the district; however, the district receives the revenue and passes it along to the entity that provides the training. How should the revenue for this be recorded?	A71	Basically it will depend on the district’s role in the training. If they are acting in a fiduciary capacity, the funds would never hit the revenue major class code or expenditure functions; instead they will be handled as balance sheet accounts. The district would record the receipt of funds as a debit to cash and an offsetting accounts payable. Then when the liability is paid, reverse the entry.	1 2 7 11
Q72	Which function and object should be used for recording supplies used by a district food service department subsequently used for catered events servicing other functions or entities?	A72	If these activities are handled in the School Lunch Fund versus an Enterprise or Internal Service fund, we would recommend that districts use some other dimension of the account structure to indicate that food supplies are to be used for catering activities. Instead of using food supplies, perhaps use a general supply object. Or, you could use another dimension of the account structure to represent supplies used in proprietary functions (state code, or other). Some use the program codes, but caution should be used in that dimension is specifically defined in both the state and federal manuals. This may require the creation of an accounting issue and resolution for the manual.	1 2
Q73	Which object code should be used for recording actual unemployment payments?	A73	Object code “2850-Unemployment Compensation.”	2
Q74	Where should a district record “special assessments” (both function and object code)? Assessments paid to the townships for things like street lighting, fire, and curbs along with taxable property the districts hold.	A74	The committee consensus was that this is really a site improvement and should be coded to “452-Site Improvement Services.” The object code would be “7410.”	1 2
Q75	Which function code should be used for NCA Accreditation fees?	A75	NCA Accreditation fees are considered “221- Improvement of instruction function.”	1
Q76	How should we record Compensated Absence Payments?	A76	See <i>Michigan Public School Accounting Manual</i> , Section II, E.01 for guidance on recognition and measurement of certain liabilities and expenditures.	11
Q77	Should object codes for instruction be included for community service activities?	A77	Yes, however care should be taken when making the determination of whether an activity is community service or instructional in nature. A good rule of thumb would be to determine if the class counts toward hours of instruction as defined in the Michigan Department of Education Administrative Rules 340.10.	1 2
Q78	Should we consider In-School Suspension to be part of the instruction function?	A78	Yes.	1
Q79	Which object code should be used for paying service credits for employees?	A79	It depends on the contract. Most likely it will fall into the “29xx-Other Employee Benefits” object.	2
Q80	Is there a Depreciation Expense function and object for use in the district wide statements?	A80	Yes, We have assigned function code “711” for Depreciation Expense for use in the non-governmental funds. The object code is “7710-Depreciation.”	1
Q81	May we account for school buses in a capital projects fund?	A81	Yes, the Michigan School Accounting Manual allows you to record function code “271-Pupil Transportation” with the 4x- Capital Projects Fund.	1 14

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Q82	Which object code should be used for recording uniforms?	A82	If you are renting the uniforms, use object "4290-Other Rentals." If you are purchasing them, use "5990- Other Supplies."	2
Q83	Does the FID allow entry of objects with anything other than the functions shown as allowable in the <i>Michigan Public School Accounting Manual</i> .	A83	No. The FID is programmed to align with the code combinations shown in the <i>Manual</i> .	9
Q84	How should an individual who performs two/three different functions be recorded?	A84	We recommend splitting the employees costs between the functions relative to the time spent performing the various functions.	1
Q85	How should you report schools reimbursing transportation fees for field trips?	A85	Transportation costs associated with field trips should always be recorded in function "271-Pupil Transportation." If your district keeps track of these expenditures by building or programs, we recommend using the facility, program, or other dimension of the account structure.	1 2
Q86	What is the proper coding for recording substitute teachers while regular teachers attend professional development?	A86	We recommend using the "221-Improvement of Instruction" function.	1
Q87	Should administrative staff be charged to the same function as the professional staff they serve?	A87	Yes, for example the both the special education director and the special education director's secretary would be charged to function "226- Supervision and Direction of Instructional Staff."	1 2
Q88	How are district-wide classroom instruction expenditures to be reported in the FID?	A89	According to the FID FAQs document, Question 11, a portion of classroom costs may be reported as district-wide.	9
Q89	Where can I find the federal accounting manual?	A89	The web address is: http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=97096R There is also a link to it from the MDE, State Aid and School Finance website.	11
Q90	Where should we record fees collected from pupils for participation in various school activities?	A90	According to the <i>Michigan Public School Accounting Manual</i> , these should be recorded in one of the major class codes under the Header "170-Revenue from Student Activities." See question below for transportation fees collected from pupils.	6
Q91	Where should we record fees collected from individuals for transportation?	A91	Both the <i>Michigan Public School Accounting Manual</i> and the federal manual, transportation fees collected from pupils should be recorded in major class code "141- Transportation Fees."	5
Q92	Please explain the difference between object codes "3120" and "3220?"	A92	Object Code "3120" is used when a district hires a trainer to come in and train district staff while "3220" is used to pay for expenditures to send an employee to conferences and workshops off site.	2
Q93	How do I record fund modifications between governmental funds?	A93	When moving funds from one governmental fund to another governmental fund use the function codes and major class codes that begin with "6." The second and third digits of the function and major class code indicate the fund number of the fund the dollars are coming in from or going to. For example when moving funds from the General Fund to the School Lunch fund, Debit 11-1-625-8110 (General Fund Expenditure to the School Lunch Fund) and Credit 25-0-611-0000 (School Lunch Fund Revenue from the General Fund).	1 2 14

FAQ's Related to Coding for the Michigan Public School Accounting Manual Last Updated 10/2007

Question		Answer		Category
Q94	How do I record fund modifications from governmental funds to proprietary or agency funds?		There are no "fund modifications" allowed between governmental and non-governmental funds. Payments from the governmental fund to the Proprietary funds should be viewed as an expenditure. The governmental fund should show the expenditure in the function and object they are purchasing from the proprietary fund. For example: A district operating a district wide print shop would show an expenditure in function 11-1-111-3610 for general fund, elementary classroom instruction pamphlets just as they would if purchasing the printing from an outside vendor. The Print Shop (Internal Service Fund) would show a revenue 197-Revenue Received From Services Provided Other Funds. To avoid duplicate reporting of expenditures in federal reporting, Michigan currently does not include the Proprietary Funds when submitting the National Public Education Finance Survey or F33.	1 5 14
Q95	Our district received \$50,000 from Adult Education Section 107 this year, but only spent \$40,000. How do we record the revenue for this year?	A95	As the State Aid is received, record a credit (50,000) in 11-0-312-0030. At year end you would do a journal entry to move the unused portion of the revenue to deferred revenue (a balance sheet liability account). Do this by recording a debit to revenue 11-0-312-0030 and credit to balance sheet 11-2-471 for \$10,000.	5
Q96	Which object code should be used for software licenses/agreements and software maintenance agreements?	A96	See object code "3450- copyright fees and software licenses." If the district is paying a maintenance agreement on software use object code "4140- Software Maintenance Agreements."	2
Q97	Which function should be used for Title I Parental Involvement functions?	A97	Use function "331-Community Activities" for Parental Involvement Activities.	1
Q98	How does a district record prior year adjustments for taxable value changes appearing on the second page of the State Aid Status Reports?	A98	<p>The amounts that appear on the second page of the State Aid Status Reports are normally the result of taxable value adjustments made by the local county treasurer within the last month. Because of the way per pupil foundation allowances are paid to the districts (combination local tax collection and state aid), the revenue associated with the prior year adjustment should already have been recorded in a previous fiscal year. In most cases, the district would simply be reclassifying the funds received in a prior year from state to local, or local to state. There should be relatively no effect on the current year revenue or expenditure accounts.</p> <p>For example, when a local treasurer reduces the non-homestead taxable value in the On-Line Taxable Value System, he/she would most likely send the district an invoice requesting that the district reimburse the over collection of tax related to that property. The State Aid Office picks up the new taxable value amount and processes a State Aid payment that will reimburse the district for the loss of local revenues.</p> <p>We encourage districts to reconcile the receipt of tax collection funds by tax year with the amount showing in the On-Line Taxable Value System to assure that the district is receiving the appropriate amount of local and state revenue related to the foundation allowance. Immediately contact the local treasurer if there is a discrepancy to assure that the district receives the appropriate amount of revenue due them.</p> <p>In most cases the districts should record the prior year transaction as follows: Debit Balance Sheet Account – Due From State Credit Cash When they pay county for reimbursement of over collected prior year tax Reverse that transaction when the State Aid is received. <i>Occasionally (very rarely)</i> there will be a situation where there is no offsetting payment to/from the local treasurer. In those cases, the <i>Michigan Public School Accounting Manual</i> has established</p>	11

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			some prior year adjustment accounts. For immaterial amounts use major class code "552-non material revenue from prior year" or "492- non material expenditure from prior year." For material amounts use the major class code "551- material prior year revenue adjustment" or "491- Material expenditure prior year expenditure adjustment.	

CATEGORY CODES

- 1 - CODING EXPENDITURE FUNCTIONS
- 2 - CODING EXPENDITURE OBJECT CODES
- 3 - CODING EXPENDITURE PROGRAM CODES
- 4 - CODING EXPENDITURE STATE CODES
- 5 - CODING REVENUE MAJOR CLASS CODES
- 6 - CODING REVENUE SUFFIX CODES
- 7 - CODING BALANCE SHEET ITEMS
- 8 - FINANCIAL REPORTING REQUIREMENTS
- 9 - DATA COLLECTION AND DATA WAREHOUSE ISSUES
- 10 - SCHOOL CODE MASTER ISSUES
- 11 - PUBLICATIONS/MANUALS/POLICY RELATED TO FINANCIAL DATA
- 12 - LEGAL REQUIREMENTS RELATED TO FINANCIAL DATA
- 13 - GASB-34 REPORTING REQUIREMENTS
- 14 - FUND RELATED ISSUES